'At Par' facilities to companies helping bank frauds

2281. SHRI E. BALANANDAN:

SHRI BRATIN SENGUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the 'at par' facilities with regard to dividend warrants and refund orders granted to companies is the main source for recurring bank fraud cases in the country since inception of economic liberalisation policy; and

(b) if so, why Government has failed to take corrective measures to check bank fraud cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No Sir.

(b) RBI have advised all commercial banks vide their communication dated 27th May, 1997 (difficulties removed vide communication dated 2nd July '97) to immediately review 'at par' facilities being provided by the banks to various companies and satisfy themselves whether such facilities deserve to be extended to the concerned parties and that the facilities do not give rise to any overdraft or unauthorised withdrawal.

ADB loan or projects in Gujarat

2282. SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:

SMT. VEENA VERMA:

SHRI RAJUBHAI A. PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Asian Development Bank has granted a $ 820 million loan for various projects in Gujarat;

(b) if so, the terms of the agreement and the details of projects to be financed therewith; and

(c) whether projects include a 1000 km. long LPG transmission pipeline between North-West Gujarat and Delhi, if so, the total cost and other details of this project?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Asian Development Bank has approved a loan of US $250 million during calendar year 1996 for the Gujarat Public Sector Resource Management Programme. The programme will support Government of Gujarat in augmenting domestic resource mobilisation, improving the allocation and efficiency of the public sector and reducing Government of Gujarat's role in commercial activities while promoting market-oriented policies to enhance private sector participation in the infrastructure. The loan has the standard ADB Ordinary Capital Resources terms and conditions with a repayment period of 15 years including a grace period of three years. The loan is scheduled to close in December, 1998.

(c) The Bank have included an LPG Transmission Pipeline Project in the pipeline for possible assistance during CY 1997 in the Central Sector. The details of the project would be know after negotiations are held and agreements signed with ADB.

Performance of Public Sector Banks in Orissa

2283. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state:

(a) the performance of each of the public sector banks in regard to their deposits, loan distribution etc.